

## **FACT SHEET: Medicaid Local Share Limitation Proposal**

<b>Top States on Total Medicaid Spending</b>	<b>Top States on Total Medicaid Spending per capita</b>
CA: \$85.4 billion	AK: \$9,474
NY: \$59.8 billion	RI: \$9,247
TX: \$35.8 billion	NY: \$8,901
PA: \$23.4 billion	DC: \$8,875
OH: \$21.6 billion	MA: \$8,717
FL: \$21.5 billion	ND: \$8,338
IL: \$17 billion	NJ: \$8,309
MI: \$15.9 billion	PA: \$7,811
MA: \$15.6 billion	MN: \$7,506
NJ: \$14.2 billion	CT: \$7,465
	<i>Other Notable States in Top 10 Total Medicaid Spending</i>
	TX: \$5,278
	CA: \$4,468
	FL: \$4,434
Source: <a href="#">Kaiser Family Foundation, 2015</a>	Source: <a href="#">Kaiser Family Foundation, 2015</a>

### **Local Shares by State**

- a. “Major” County Contributions:
  - i. **NY:** \$7.2 billion (\$5 billion from NYC which is exempt with ~\$2.2 billion from 57 county governments)
  - ii. **CA:** \$1 billion collected for mental health managed care
  - iii. **AZ:** \$357 million collected for long term care (and some admin cost)
  - iv. **FL:** \$200 million collected at a rate of \$55 per nursing home resident and a portion of county contribution for inpatient hospital visits.
  - v. **NM:** 7% of non-federal share approximately \$175 million
  - vi. **IA:** \$132 million collected for chronic mental illness
  - vii. **NH:** \$105 million collected from nursing homes and home care costs

Source: [Citizen’s Budget Commission in 2011.](#)

## **Q&A**

### **1. How would the state implement the consolidation of county Medicaid costs?**

Albany has until 2020 to plan for the takeover of consolidated county Medicaid costs. At that time, approximately \$2.2 billion in local county Medicaid expenses would be required to be taken over by the state. Albany would finally be required to assume the state's full share of costs for this unfunded mandate on county governments and their property taxpayers.

### **2. Why should the state be required to assume county costs?**

The state is responsible for the design of the program. With a new per-capita block grant from the federal government, the state would be given maximum flexibility – free of most federal constraints – to design a Medicaid system which best suits its needs. An essential principle of sound governance is that the level of government which confers the benefit of a program should be the same level of government which is responsible to pay for such benefits. No longer would Albany be able to design the Medicaid system while transferring a substantial portion of the costs onto counties and their property taxpayers. Counties have no say in how local revenues are spent on Medicaid; they're simply required to foot part of Albany's bill.

### **3. How can we be assured that counties will actually lower property taxes once relieved of the Medicaid burden?**

Political pressure at the local level will be enormous to eliminate the tax burden previously imposed via mandated state Medicaid costs. Counties have requested this relief for many years and can be expected to follow through on this promise; but public scrutiny will of course be required.

### **4. Where will Albany get the money to cover \$2.2 billion in county costs?**

Albany can reallocate spending from other areas, initiate reforms in Medicaid spending to be more in line with program costs in other large states, and better eliminate fraud and waste. Albany can seem to find a "Buffalo Billion" or recently a "Brooklyn Billion" or routine, multi-million dollar expenditures on corporate welfare. Surely, it can allocate resources, as does virtually every other state government, to take control of its Medicaid finances without imposing such an unfunded mandate on local property taxpayers. It is ultimately Albany's responsibility to design and fund its Medicaid system. Adoption of this federal amendment will finally force Albany to be responsible for its program.